



Semi-Annual Report
June 30, 2005

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**REPORT TO SHAREOWNERS:
JUNE 30, 2005**

THE FIRST HALF OF 2005 WAS ALMOST A CONTINUATION OF THE PRIOR YEAR WITH MANY OUTSIDE EVENTS WEIGHING ON STOCK PRICES. CRUDE OIL PRICES REMAINED AT HIGH LEVELS THAT SEEMED TO HAVE AN EFFECT ON STOCKS IN A NEGATIVE MANNER WHENEVER THE COST WENT UP. THE BOMBINGS IN IRAQ SEEMED TO INTENSIFY AND INTEREST RATES WERE RAISED ON A REGULAR BASIS.

IN THE PAST SIX MONTHS, THE DOW JONES INDUSTRIAL AVERAGE HAS DECLINED 4.7% AND THE STANDARD & POOR'S 500 LOST 1.7%. THE NASDAQ WAS DOWN 5.5%. THE NET ASSET VALUE FOR THE FUND WENT FROM \$9.63 TO \$9.52, A DECREASE OF 2.2%. THE NAV HAS BEEN ADJUSTED FOR A 15% STOCK DIVIDEND THAT WAS PAID ON MAY 23, 2005. THE BOARD OF DIRECTORS DECLARED THE STOCK DIVIDEND WITH THE THOUGHT THAT IT WOULD HELP INCREASE LIQUIDITY OF THE STOCK TRADED ON THE CHICAGO STOCK EXCHANGE.

DURING THE PERIOD, THE FUND SOLD 10,000 SHARES OF PENTAIR RESULTING IN LONG-TERM CAPITAL GAIN OF MORE THAN \$260,000. A POSITION OF 18,000 SHARES OF PENTAIR WAS MAINTAINED. NEW POSITIONS WERE TAKEN IN FOUR DIFFERENT COMPANIES WITH THE PURCHASE OF 10,000 CIT GROUP, 14,000 JACK HENRY & ASSOCIATES, 10,000 WASHINGTON MUTUAL AND 15,000 WENDY'S INTERNATIONAL. THE FUND ALSO ADDED TO HOLDINGS IN A NUMBER OF OTHER STOCKS. THEY INCLUDED 2,000 ABBOTT LABORATORIES (16,000); 2,000 AVERY DENNISON (12,000); 1,000 MEDTRONIC (12,000); 2,000 POLYMEDICA (12,000); 2,000 SIGMA ALDRICH (7,000); 2,000 STATE STREET (16,000) AND 2,000 TELEFLEX (16,000).

OF THE 39 STOCKS HELD IN THE PORTFOLIO, 38 ARE DIVIDEND PAYERS. DURING THE PAST YEAR, 35 COMPANIES HAVE INCREASED THE DIVIDEND. WITH THE OUTLOOK FOR EARNINGS REMAINING POSITIVE FOR THE VAST MAJORITY OF THE COMPANIES HELD BY THE FUND, WE LOOK FORWARD TO CONTINUING PROGRESS TO BE MADE.



THOMAS E. O'HARA
CHAIRMAN



KENNETH S. JANKE
PRESIDENT

NAIC GROWTH FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2005 (UNAUDITED)

ASSETS

INVESTMENT SECURITIES	
–AT MARKET VALUE (COST \$14,309,393)	\$25,769,090
SHORT-TERM INVESTMENTS	
–AT AMORTIZED COST	598,355
CASH AND CASH EQUIVALENTS	205,375
DIVIDENDS & INTEREST RECEIVABLE	45,358
PREPAID INSURANCE	4,023
PREPAID FEES	2,167
	<hr/>
	26,624,368

LIABILITIES

ACCRUED EXPENSES	41,585
ACCOUNTS PAYABLE	-
ADVISOR FEES PAYABLE	-
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	41,585

TOTAL NET ASSETS	\$26,582,783
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SHAREOWNERS' EQUITY

COMMON STOCK—PAR VALUE \$0.001 PER SHARE;	
AUTHORIZED 50,000,000 SHARES,	
OUTSTANDING 2,792,336 SHARES	\$ 2,794
ADDITIONAL PAID-IN CAPITAL	14,783,011
UNDISTRIBUTED NET INVESTMENT INCOME	75,843
UNDISTRIBUTED NET REALIZED GAIN ON INVESTMENTS	261,438
UNREALIZED APPRECIATION OF INVESTMENTS	11,459,697
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SHAREOWNERS' EQUITY	\$26,582,783
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NET ASSET VALUE PER SHARE	\$ 9.52
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SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2005 (UNAUDITED)

INVESTMENT INCOME

INTEREST	\$	18,377
DIVIDENDS		255,576

273,953

EXPENSES

ADVISORY FEES	101,347
LEGAL FEES	35,000
INSURANCE	12,070
TRANSFER AGENT	11,797
AUDIT FEES	9,450
DIRECTORS' FEES & EXPENSES	6,525
OTHER FEES & EXPENSES	6,500
PRINTING	6,000
CUSTODIAN FEES	6,000
MAILING & POSTAGE	5,000
EXPENSE REIMBURSEMENT	2,437
ANNUAL SHAREOWNERS' MEETING	1,750

TOTAL EXPENSES 203,876

NET INVESTMENT INCOME 70,077

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

REALIZED GAIN ON INVESTMENTS:

PROCEEDS FROM SALE OF INVESTMENT SECURITIES	437,718
COST OF INVESTMENT SECURITIES SOLD	176,280

NET REALIZED GAIN ON INVESTMENTS 261,438

UNREALIZED APPRECIATION OF INVESTMENTS:

UNREALIZED APPRECIATION AT BEGINNING OF YEAR	12,087,985
UNREALIZED APPRECIATION AT END OF PERIOD	11,459,697

NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (628,288)

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS (366,850)

NET DECREASE FROM OPERATIONS \$ (296,773)

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

SIX MONTHS ENDED
JUNE 30, 2005
(UNAUDITED)

YEAR ENDED
DECEMBER 31, 2004

FROM OPERATIONS:

NET INVESTMENT INCOME	\$ 70,077	\$ 29,364
NET REALIZED GAIN ON INVESTMENTS	261,438	455,020
NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS	(628,288)	1,740,954
NET INCREASE/(DECREASE) FROM OPERATIONS	(296,773)	2,225,338

DISTRIBUTIONS TO STOCKHOLDERS FROM:

NET INVESTMENT INCOME	-	19,792
NET REALIZED GAIN FROM INVESTMENT TRANSACTIONS	-	455,020
TOTAL DISTRIBUTIONS	-	474,812

FROM CAPITAL STOCK TRANSACTIONS:

DIVIDEND REINVESTMENT	-	419,422
CASH PURCHASES	6,694	201,717
NET INCREASE FROM CAPITAL STOCK TRANSACTIONS	6,694	621,139
NET INCREASE/(DECREASE) IN NET ASSETS	(290,079)	2,371,665

TOTAL NET ASSETS:

BEGINNING OF YEAR	\$26,872,862	\$24,501,197
END OF PERIOD (INCLUDING UNDISTRIBUTED NET INVESTMENT INCOME OF \$70,077 AND \$5,766, RESPECTIVELY)	\$26,582,783	\$26,872,862

SHARES:

SHARES ISSUED TO COMMON STOCKHOLDERS UNDER THE DIVIDEND REINVESTMENT PLAN, CASH PURCHASE PLAN, AND FOLLOW-ON OFFERING	364,830	59,054
SHARES AT BEGINNING OF YEAR	2,427,506	2,368,452
SHARES AT END OF PERIOD	2,792,336	2,427,506

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.

FINANCIAL HIGHLIGHTS (A)

	SIX MONTHS ENDED			YEARS ENDED DECEMBER 31,		
	JUNE 30, 2005 (UNAUDITED)	2004	2003	2002	2001	2000
NET ASSET VALUE AT BEGINNING OF YEAR	\$9.63	\$8.99	\$7.90	\$9.63	\$10.40	\$9.76
NET INVESTMENT INCOME	.03	.01	.01	.02	.03	.08
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	(.14)	.81	1.39	(1.28)	(.22)	1.89
TOTAL FROM INVESTMENT OPERATIONS	(.11)	.82	1.40	(1.26)	(.19)	1.97
DISTRIBUTION FROM:						
NET INVESTMENT INCOME	-	(.01)	(.01)	(.02)	(.03)	(.08)
REALIZED GAINS	-	(.17)	(.30)	(.45)	(.55)	(1.25)
TOTAL DISTRIBUTIONS	-	(.18)	(.31)	(.47)	(.58)	(1.33)
NET ASSET VALUE AT END OF PERIOD	\$9.52	\$9.63	\$8.99	\$7.90	\$9.63	\$10.40
PER SHARE MARKET VALUE, END OF PERIOD LAST TRADED PRICE (B)	\$8.40	\$7.83	\$8.26	\$8.65	\$9.35	\$9.13
TOTAL INVESTMENT RETURN ANNUALIZED:						
BASED ON MARKET VALUE						
1 YEAR	15.20%	(3.31%)	(1.02%)	2.10%	3.70%	30.90%
FROM INCEPTION	9.17%	8.97%	9.94%	10.86%	11.66%	12.57%
BASED ON NET ASSET VALUE						
1 YEAR	(2.19%)	9.26%	18.05%	(13.81%)	(1.59%)	27.27%
FROM INCEPTION	10.08%	10.53%	10.63%	10.06%	12.42%	13.81%
NET ASSETS, END OF YEAR (000's)	\$26,582.8	\$26,872.9	\$24,501.2	\$20,555.3	\$23,909.2	\$23,927.8
RATIOS TO AVERAGE NET ASSETS ANNUALIZED:						
RATIO OF EXPENSES TO AVERAGE NET ASSETS (C)						
	1.54%	1.80%	1.79%	1.61%	1.57%	1.25%
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS (C)						
	0.53%	0.11%	0.06%	0.17%	0.32%	0.74%
PORTFOLIO TURNOVER RATE	1.76%	6.53%	11.31%	11.19%	1.77%	10.61%
AVERAGE COMMISSION RATE PAID PER SHARE	\$0.076	\$0.095	\$0.125	\$0.125	\$0.125	\$0.125

(A) ALL PER SHARE DATA FOR ALL PERIODS HAS BEEN RESTATED TO REFLECT THE EFFECT OF A 15% STOCK DIVIDEND WHICH WAS DECLARED ON AUGUST 18, 2000 AND PAID ON SEPTEMBER 29, 2000 TO SHAREHOLDERS OF RECORD ON SEPT. 18, 2000 AND A 15% STOCK DIVIDEND DECLARED ON APRIL 21, 2005 AND PAID ON MAY 23, 2005 TO SHAREHOLDERS OF RECORD ON MAY 13, 2005.

(B) IF THERE WAS NO SALE ON THE VALUATION DATE, THE BID PRICE FOR EACH SUCH DATE IS SHOWN.

(C) FOR THE YEAR ENDED 2000, THE ADVISER VOLUNTARILY WAIVED ALL OR A PORTION OF ITS FEES. HAD THE ADVISER NOT DONE SO IN 2000, THE RATIO OF EXPENSES TO AVERAGE NET ASSETS WOULD HAVE BEEN 1.44%, AND THE RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS WOULD HAVE BEEN 0.55%, FOR THAT YEAR.

NAIC GROWTH FUND, INC.
PORTFOLIO OF INVESTMENTS - JUNE 30, 2005 (UNAUDITED)

<u>%</u>	<u>COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>	<u>%</u>	<u>COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>
4.5	AUTO REPLACEMENT				4.6	CONSUMER PRODUCTS			
	O'REILLY AUTO*	40,000	\$242,606	\$1,193,200		COLGATE-PALMOLIVE	16,000	\$469,850	\$798,560
						NEWELL RUBBERMAID	18,000	452,267	429,120
	TOTAL			<u>\$1,193,200</u>		TOTAL			<u>\$1,227,680</u>
13.2	BANKING				3.1	ELECTRICAL EQUIPMENT			
	CITIGROUP	22,000	368,635	1,017,060		GENERAL ELECTRIC	24,000	441,341	831,600
	COMERICA, INC.	10,000	404,669	578,000		TOTAL			<u>831,600</u>
	HUNTINGTON BANC.	25,000	238,023	603,500					
	JP MORGAN CHASE	15,000	396,347	529,800					
	SYNOVUS FINANCIAL	27,000	317,651	774,090					
	TOTAL			<u>3,502,450</u>	1.7	ELECTRONICS			
2.5	BUILDING PRODUCTS					DIEBOLD	10,000	269,187	451,100
	JOHNSON CONTROLS	12,000	96,895	675,960		TOTAL			<u>451,100</u>
	TOTAL			<u>675,960</u>					
3.2	CHEMICALS				10.7	ETHICAL DRUGS			
	RPM	25,000	287,099	456,500		ABBOTT LABORATORIES	16,000	687,652	784,160
	SIGMA ALDRICH	7,000	213,318	392,280		JOHNSON & JOHNSON	15,000	614,274	975,000
	TOTAL			<u>848,780</u>		MERCK & Co., INC.	10,000	359,350	308,000
						PFIZER, INC.	28,000	606,755	772,240
						TOTAL			<u>2,839,400</u>
					6.1	FINANCIAL SERVICES			
						CIT GROUP	10,000	392,785	429,700
						STATE STREET BOSTON	16,000	436,700	772,000
						WASHINGTON MUTUAL	10,000	403,500	406,900
						TOTAL			<u>1,608,600</u>
	* NON-INCOME PRODUCING SECURITY								

SEE NOTES TO FINANCIAL STATEMENTS

<u>% COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>	<u>% COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>
6.2	FOOD			2.4	MACHINERY		
CONAGRA	18,000	\$351,815	\$416,880	EMERSON ELECTRIC	10,000	\$335,278	\$626,300
HEINZ, H.J.	16,000	532,050	566,720				
McCORMICK & Co.	20,000	223,975	653,600	TOTAL			<u>\$626,300</u>
TOTAL			<u>\$1,637,200</u>	8.7	MULTI INDUSTRY		
9.7	HOSPITAL SUPPLIES			CARLISLE	9,000	364,086	617,670
BIOMET CORP.	17,000	166,709	588,710	PENTAIR	18,000	280,288	770,580
MEDTRONIC	12,000	595,869	621,480	TELEFLEX	16,000	545,608	949,920
POLYMEDICA	12,000	346,237	427,920	TOTAL			<u>2,338,170</u>
STRYKER CORP.	20,000	95,500	951,200	2.4	OFFICE SUPPLIES		
TOTAL			<u>2,589,310</u>	AVERY DENNISON	12,000	666,064	635,520
2.7	INDUSTRIAL SERVICES			TOTAL			<u>635,520</u>
DONALDSON Co.	24,000	162,563	727,920	2.1	REALTY TRUST		
TOTAL			<u>727,920</u>	FIRST INDUSTRIAL REALTY TRUST	14,000	394,963	558,600
3.3	INSURANCE			TOTAL			<u>558,600</u>
AFLAC, Inc.	20,000	143,906	865,600	2.7	RESTAURANT		
TOTAL			<u>865,600</u>	WENDY'S	15,000	579,762	714,750
1.0	INFORMATION TECHNOLOGY			TOTAL			<u>714,750</u>
JACK HENRY & ASSOCIATES	14,000	249,848	256,340	3.4	SOFT DRINKS		
TOTAL			<u>256,340</u>	PEPSICO	17,000	433,218	916,810
				TOTAL			<u>916,810</u>

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
NOTES TO FINANCIAL STATEMENTS

(1) ORGANIZATION

THE NAIC GROWTH FUND, INC. (THE "FUND") WAS ORGANIZED UNDER MARYLAND LAW ON APRIL 11, 1989 AS A DIVERSIFIED CLOSED-END INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940. THE FUND COMMENCED OPERATIONS ON JULY 2, 1990.

(2) SIGNIFICANT ACCOUNTING POLICIES

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE FUND NOT OTHERWISE SET FORTH IN THE NOTES TO FINANCIAL STATEMENTS:

DIVIDENDS AND DISTRIBUTIONS – DIVIDENDS FROM THE FUND'S NET INVESTMENT INCOME AND REALIZED NET LONG- AND SHORT-TERM CAPITAL GAINS WILL BE DECLARED AND DISTRIBUTED AT LEAST ANNUALLY. SHAREOWNERS MAY ELECT TO PARTICIPATE IN THE DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (SEE NOTE 4).

INVESTMENTS – INVESTMENTS IN EQUITY SECURITIES ARE STATED AT MARKET VALUE, WHICH IS DETERMINED BASED ON QUOTED MARKET PRICES OR DEALER QUOTES. IF NO SUCH PRICES ARE AVAILABLE ON THE VALUATION DATE, THE BOARD OF DIRECTORS HAS DETERMINED THE MOST RECENT MARKET PRICES BE USED. PURSUANT TO RULE 2A-7 OF THE INVESTMENT COMPANY ACT OF 1940, THE FUND UTILIZES THE AMORTIZED COST METHOD TO DETERMINE THE CARRYING VALUE OF SHORT-TERM DEBT OBLIGATIONS. UNDER THIS METHOD, INVESTMENT SECURITIES ARE VALUED FOR BOTH FINANCIAL REPORTING AND FEDERAL TAX PURPOSES AT AMORTIZED COST, WHICH APPROXIMATES FAIR VALUE. ANY DISCOUNT OR PREMIUM IS AMORTIZED FROM THE DATE OF ACQUISITION TO MATURITY. INVESTMENT SECURITY PURCHASES AND SALES ARE ACCOUNTED FOR ON A TRADE DATE BASIS. INTEREST INCOME IS ACCRUED ON A DAILY BASIS WHILE DIVIDENDS ARE INCLUDED IN INCOME ON THE EX-DIVIDEND DATE.

USE OF ESTIMATES – THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES REQUIRES MANAGEMENT TO MAKE ESTIMATES AND ASSUMPTIONS THAT AFFECT THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES AND DISCLOSURE OF CONTINGENT ASSETS AND LIABILITIES AT THE DATE OF THE FINANCIAL STATEMENTS AND THE REPORTED AMOUNTS OF REVENUES AND EXPENSES DURING THE REPORTING PERIOD. ACTUAL RESULTS COULD DIFFER FROM THOSE ESTIMATES.

FEDERAL INCOME TAXES – THE FUND INTENDS TO COMPLY WITH THE GENERAL QUALIFICATION REQUIREMENTS OF THE INTERNAL REVENUE CODE APPLICABLE TO REGULATED INVESTMENT COMPANIES. THE FUND INTENDS TO DISTRIBUTE AT LEAST 90% OF ITS TAXABLE INCOME, INCLUDING NET LONG-TERM CAPITAL GAINS, TO ITS SHAREOWNERS. IN ORDER TO AVOID IMPOSITION OF THE EXCISE TAX APPLICABLE TO REGULATED INVESTMENT COMPANIES, IT IS ALSO THE FUND'S INTENTION TO DECLARE AS DIVIDENDS IN EACH CALENDAR YEAR AT LEAST 98% OF ITS NET INVESTMENT INCOME AND 98% OF ITS NET REALIZED CAPITAL GAINS PLUS UNDISTRIBUTED AMOUNTS FROM PRIOR YEARS.

THE FOLLOWING INFORMATION IS BASED UPON FEDERAL INCOME TAX COST OF PORTFOLIO INVESTMENTS AS OF JUNE 30, 2005:

GROSS UNREALIZED APPRECIATION	\$ 11,534,194
GROSS UNREALIZED DEPRECIATION	(74,497)
NET UNREALIZED APPRECIATION	\$ 11,459,697
FEDERAL INCOME TAX COST	\$ 14,309,393

EXPENSES — THE FUND'S SERVICE CONTRACTORS BEAR ALL EXPENSES IN CONNECTION WITH THE PERFORMANCE OF THEIR SERVICES. THE FUND BEARS ALL EXPENSES INCURRED IN CONNECTION WITH ITS OPERATIONS INCLUDING, BUT NOT LIMITED TO, MANAGEMENT FEES (AS DISCUSSED IN NOTE 3), LEGAL AND AUDIT FEES, TAXES, INSURANCE, SHAREOWNER REPORTING AND OTHER RELATED COSTS. SUCH EXPENSES WILL BE CHARGED TO EXPENSE DAILY AS A PERCENTAGE OF NET ASSETS. THE ADVISORY AGREEMENT PROVIDES THAT THE FUND MAY NOT INCUR ANNUAL AGGREGATE EXPENSES IN EXCESS OF TWO PERCENT (2%) OF THE FIRST TEN MILLION DOLLARS OF THE FUND'S AVERAGE NET ASSETS, ONE AND ONE-HALF PERCENT (1 1/2%) OF THE NEXT TWENTY MILLION DOLLARS OF THE AVERAGE NET ASSETS, AND ONE PERCENT (1%) OF THE REMAINING AVERAGE NET ASSETS FOR ANY FISCAL YEAR. ANY EXCESS EXPENSES SHALL BE THE RESPONSIBILITY OF THE INVESTMENT ADVISER, AND THE PRO RATA PORTION OF THE ESTIMATED ANNUAL EXCESS EXPENSES WILL BE OFFSET AGAINST THE INVESTMENT ADVISER'S MONTHLY FEE. THE EXPENSES OF THE FOLLOW-ON OFFERING ARE NOT CONSIDERED AN EXPENSE OF THE FUND FOR PURPOSES OF THE EXPENSE LIMITATIONS OF THE ADVISORY AGREEMENT.

(3) MANAGEMENT ARRANGEMENTS

INVESTMENT ADVISER — GROWTH FUND ADVISOR, INC., SERVES AS THE FUND'S INVESTMENT ADVISER SUBJECT TO THE INVESTMENT ADVISORY AGREEMENT, AND IS RESPONSIBLE FOR THE MANAGEMENT OF THE FUND'S PORTFOLIO, SUBJECT TO REVIEW BY THE BOARD OF DIRECTORS OF THE FUND.

FOR THE SERVICES PROVIDED UNDER THE INVESTMENT ADVISORY AGREEMENT, THE INVESTMENT ADVISER RECEIVES A MONTHLY FEE AT AN ANNUAL RATE OF THREE-QUARTERS OF ONE PERCENT (0.75%) OF THE AVERAGE WEEKLY NET ASSET VALUE OF THE FUND, DURING THE TIMES WHEN THE AVERAGE WEEKLY NET ASSET VALUE IS AT LEAST \$3,800,000. THE INVESTMENT ADVISER WILL NOT BE ENTITLED TO ANY COMPENSATION FOR A WEEK IN WHICH THE AVERAGE WEEKLY NET ASSET VALUE FALLS BELOW \$3,800,000.

CUSTODIAN AND PLAN AGENT — STANDARD FEDERAL BANK, NA (SFB) SERVES AS THE FUND'S CUSTODIAN PURSUANT TO THE CUSTODIAN AGREEMENT. AS THE FUND'S CUSTODIAN, SFB RECEIVES FEES AND COMPENSATION OF EXPENSES FOR SERVICES PROVIDED INCLUDING, BUT NOT LIMITED TO, AN ANNUAL ACCOUNT CHARGE, ANNUAL SECURITY FEE, SECURITY TRANSACTION FEE AND STATEMENT OF INVENTORY

FEE. AMERICAN STOCK TRANSFER AND TRUST COMPANY SERVES AS THE FUND'S TRANSFER AGENT AND DIVIDEND DISBURSING AGENT PURSUANT TO TRANSFER AGENCY AND DIVIDEND DISBURSEMENT AGREEMENTS. AMERICAN STOCK TRANSFER AND TRUST COMPANY RECEIVES FEES FOR SERVICES PROVIDED INCLUDING, BUT NOT LIMITED TO, ACCOUNT MAINTENANCE FEES, ACTIVITY AND TRANSACTION PROCESSING FEES AND REIMBURSEMENT OF OUT-OF-POCKET EXPENSES SUCH AS FORMS AND MAILING COSTS.

(4) DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

THE FUND HAS A DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (THE "PLAN") WHICH ALLOWS SHAREOWNERS TO REINVEST DIVIDENDS PAID AND MAKE ADDITIONAL CONTRIBUTIONS. UNDER THE PLAN, CASH DIVIDENDS AND VOLUNTARY CASH PAYMENTS WILL BE INVESTED IN SHARES PURCHASED IN THE OPEN MARKET. IN THE EVENT THE PLAN AGENT IS UNABLE TO COMPLETE ITS ACQUISITION OF SHARES TO BE PURCHASED FROM ADDITIONAL CONTRIBUTIONS ON THE OPEN MARKET BY THE END OF THE TWENTIETH (20TH) DAY FOLLOWING THE INVESTMENT DATE, ANY REMAINING FUNDS WILL BE RETURNED TO THE PARTICIPANTS ON A PRO RATA BASIS. THE NUMBER OF SHARES CREDITED TO EACH SHAREOWNER PARTICIPANT'S ACCOUNT WILL BE BASED UPON THE AVERAGE PURCHASE PRICE FOR ALL SHARES PURCHASED.

(5) DISTRIBUTIONS TO SHAREOWNERS

A 15% STOCK DIVIDEND WAS DECLARED ON APRIL 21, 2005 AND PAID ON MAY 23, 2005 TO SHAREHOLDERS OF RECORD ON MAY 13, 2005. NO CASH DISTRIBUTIONS WERE MADE THIS YEAR TO DATE.

THE TAX CHARACTER OF DISTRIBUTIONS PAID DURING 2004 AND 2003 WAS AS FOLLOWS:

	<u>2004</u>	<u>2003</u>
DISTRIBUTIONS PAID FROM:		
ORDINARY INCOME	\$ 19,792	\$ 16,990
LONG-TERM CAPITAL GAIN	<u>455,020</u>	<u>806,949</u>
	<u>\$474,812</u>	<u>\$823,939</u>

AS OF JUNE 30, 2005, THE COMPONENTS OF DISTRIBUTABLE EARNINGS ON A TAX BASIS WERE AS FOLLOWS:

UNDISTRIBUTED ORDINARY INCOME	\$ 75,843
UNREALIZED APPRECIATION	\$ 11,459,697

(6) INVESTMENT TRANSACTIONS

PURCHASES AND SALES OF SECURITIES, OTHER THAN SHORT-TERM SECURITIES FOR THE PERIOD ENDED JUNE 30, 2005, WERE \$2,489,156 AND \$437,718, RESPECTIVELY.

(7) FINANCIAL HIGHLIGHTS

THE FINANCIAL HIGHLIGHTS PRESENT A PER SHARE ANALYSIS OF HOW THE FUND'S NET ASSET VALUE HAS CHANGED DURING THE YEARS PRESENTED. ADDITIONAL QUANTITATIVE MEASURES EXPRESSED IN RATIO FORM ANALYZE IMPORTANT RELATIONSHIPS BETWEEN CERTAIN ITEMS PRESENTED IN THE FINANCIAL STATEMENTS. THE TOTAL INVESTMENT RETURN BASED ON MARKET VALUE ASSUMES THAT SHAREOWNERS BOUGHT INTO THE FUND AT THE BID PRICE AND SOLD OUT OF THE FUND AT THE BID PRICE. IN REALITY, SHAREOWNERS BUY INTO THE FUND AT THE ASK PRICE AND SELL OUT OF THE FUND AT THE BID PRICE. THEREFORE, ACTUAL RETURNS MAY DIFFER FROM THE AMOUNTS STATED.

2005 ANNUAL SHAREHOLDERS MEETING

THE 2005 ANNUAL MEETING OF SHAREHOLDERS WAS HELD ON APRIL 21, 2005 FOR THE FOLLOWING PURPOSES:

1. TO ELECT A BOARD OF EIGHT (8) DIRECTORS;
2. TO RATIFY OR REJECT THE SELECTION OF PLANTE & MORAN, PLLC AS INDEPENDENT AUDITORS OF THE FUND FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2005.

THE FOLLOWING DIRECTORS WERE ELECTED FOR PROPOSAL 1: THOMAS O'HARA, KENNETH JANKE, LEWIS ROCKWELL, CARL HOLTH, PEGGY SCHMELTZ, BENEDICT SMITH, JAMES LANE, AND LUKE SIMS. FOR PROPOSAL 2, SHAREHOLDERS RATIFIED THE SELECTION OF PLANTE & MORAN, PLLC AS INDEPENDENT ACCOUNTANTS OF THE FUND.

TABULATION REPORT

PROPOSAL 1 - ELECTION OF DIRECTORS	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>	<u>WITHHELD</u>
THOMAS O'HARA	1,688,717			95,397
KENNETH JANKE	1,702,351			81,763
LEWIS ROCKWELL	1,679,255			104,859
CARL HOLTH	1,703,527			80,587
PEGGY SCHMELTZ	1,720,666			63,448
BENEDICT SMITH	1,717,101			67,013
JAMES LANE	1,699,986			84,128
LUKE SIMS	1,723,978			60,136
PROPOSAL 2 - SELECTION OF PLANTE & MORAN, PLLC	1,726,969	25,880	31,265	
TOTAL SHARES ISSUED AND OUTSTANDING ON RECORD DATE:	2,427,910			

Compensation

The following table sets forth the aggregate compensation paid to all directors in 2005. Directors who are affiliated with the Investment Adviser or the Investment Adviser's affiliates do not receive any compensation for service as a director. The Chairman and President are not compensated by the Fund, except for reimbursement for out-of-pocket expenses relating to attendance at meetings and other operations of the Fund. No other officer of the Fund received compensation from the Fund in 2005 in excess of \$60,000.

Directors Who Are Interested Persons of the Fund

Name of Person, Position	Aggregate Compensation from Fund*	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Fund and Complex Paid to Directors **
Thomas E. O'Hara, Chairman and Director	None	None	None	None
Kenneth S. Janke President, Treasurer and Director	None	None	None	None
Lewis A. Rockwell Secretary and Director	\$475	None	None	\$475
Peggy Schmeltz, Director	\$475	None	None	\$475

Directors Who Are Not Interested Persons of the Fund

Name of Person, Position	Aggregate Compensation from Fund*	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Fund and Complex Paid to Directors**
Carl A. Holth, Director	\$475	None	None	\$475
James M. Lane, Director	\$475	None	None	\$475
Benedict M. Smith, Director	\$475	None	None	\$475
Luke E. Sims, Director	\$475	None	None	\$475

*All amounts shown are for service as a director.

**The Fund is not part of any fund complex.

NAIC GROWTH FUND, INC.
BOARD OF DIRECTORS

THOMAS E. O'HARA
CHAIRMAN,
HIGHLAND BEACH, FL

KENNETH S. JANKE
PRESIDENT,
BLOOMFIELD HILLS, MI

PEGGY L. SCHMELTZ
DIRECTOR,
BOWLING GREEN, OH

LEWIS A. ROCKWELL
SECRETARY,
GROSSE POINTE SHORES, MI

BENEDICT J. SMITH
DIRECTOR,
BIRMINGHAM, MI

CARL A. HOLTH
DIRECTOR,
CLINTON TWP., MI

JAMES M. LANE
DIRECTOR,
HIGHLAND BEACH, FL

LUKE E. SIMS
DIRECTOR,
MILWAUKEE, WI

SHAREOWNER INFORMATION

THE TICKER SYMBOL FOR THE NAIC GROWTH FUND, INC., ON THE CHICAGO STOCK EXCHANGE IS GRE. YOU MAY WISH TO VISIT THE CHICAGO STOCK EXCHANGE WEB SITE AT WWW.CHICAGOSTOCKEX.COM.

THE DIVIDEND REINVESTMENT PLAN ALLOWS SHAREOWNERS TO AUTOMATICALLY REINVEST DIVIDENDS IN FUND COMMON STOCK WITHOUT PAYING COMMISSIONS. ONCE ENROLLED, YOU CAN MAKE ADDITIONAL STOCK PURCHASES THROUGH MONTHLY CASH DEPOSITS RANGING FROM \$50 TO \$1,000. FOR MORE INFORMATION, REQUEST A COPY OF THE **DIVIDEND REINVESTMENT SERVICE FOR STOCKHOLDERS OF NAIC GROWTH FUND, INC.**, FROM AMERICAN STOCK TRANSFER AND TRUST COMPANY, P.O. BOX 922 WALL STREET STATION, NEW YORK, NY 10269, TELEPHONE 1-877-739-9994

QUESTIONS ABOUT DIVIDEND CHECKS, STATEMENTS, ACCOUNT CONSOLIDATION, ADDRESS CHANGES, STOCK CERTIFICATES OR TRANSFER PROCEDURES WRITE AMERICAN STOCK TRANSFER AND TRUST COMPANY, P.O. BOX 922 WALL STREET STATION, NEW YORK, NY 10269, TELEPHONE 1-877-739-9994

THE FUND FILES ITS COMPLETE SCHEDULE OF PORTFOLIO HOLDINGS WITH SECURITIES AND EXCHANGE COMMISSION FOR THE FIRST AND THIRD QUARTERS OF EACH FISCAL YEAR ON FORM N-Q. THE FUND'S FORM N-Q ARE AVAILABLE ON THE COMMISSION'S WEBSITE AT [HTTP://SEC.GOV](http://SEC.GOV), ON THE FUND'S WEBSITE AT [HTTP://WWW.NAICGROWTHFUND.COM](http://WWW.NAICGROWTHFUND.COM) UNDER THE HEADING "SEC EDGAR FILINGS" AND UPON REQUEST BY CALLING 1-877-275-6242. THE FUND'S FORMS N-Q MAY BE REVIEWED AND COPIED AT THE COMMISSION'S PUBLIC REFERENCE ROOM IN WASHINGTON, D.C., AND INFORMATION ON THE OPERATION OF THE PUBLIC REFERENCE ROOM MAY OBTAINED BY CALLING 1-800-SEC-0330.

A DESCRIPTION OF THE POLICIES AND PROCEDURES THAT THE FUND USES TO DETERMINE HOW TO VOTE PROXIES RELATING TO PORTFOLIO SECURITIES IS AVAILABLE (1) WITHOUT CHARGE, UPON REQUEST, BY CALLING 877-275-6242; (2) ON THE FUND'S WEBSITE AT WWW.NAICGROWTHFUND.COM; AND (3) ON THE SECURITIES AND EXCHANGE COMMISSION WEBSITE AT WWW.SEC.GOV.

INFORMATION REGARDING HOW THE FUND VOTED PROXIES RELATING TO PORTFOLIO SECURITIES DURING THE MOST RECENT TWELVE MONTH PERIOD ENDED JUNE 30, 2005 IS AVAILABLE (1) WITHOUT CHARGE, UPON REQUEST BY CALLING 1-877-275-6242 OR ON THE FUND'S WEBSITE AT [HTTP://WWW.NAICGROWTHFUND.COM](http://WWW.NAICGROWTHFUND.COM) AND (2) ON THE COMMISSION'S WEBSITE AT [HTTP://WWW.SEC.GOV](http://WWW.SEC.GOV).

SHAREOWNERS OR INDIVIDUALS WANTING GENERAL INFORMATION OR HAVING QUESTIONS, WRITE NAIC GROWTH FUND, INC., P.O. BOX 220, ROYAL OAK, MICHIGAN 48068. TELEPHONE 877-275-6242 OR VISIT US AT OUR WEBSITE AT WWW.NAICGROWTHFUND.COM.